

STATE OF NORTH CAROLINA
BURKE COUNTY

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
20 CVS 988

CHRISTOPHER RYAN
GRINDSTAFF, in his Capacity as
Executor of the Estate of Roger
Stephen Grindstaff, a/k/a Roger
Steven Grindstaff,

Plaintiff,

v.

FRANK EUGENE KNIGHTON, JR.,

Defendant.

**AMENDED ORDER ON
DESIGNATION**

1. **THIS MATTER** is before the Court pursuant to the Determination Order issued on August 28, 2020 by the Honorable Cheri Beasley, Chief Justice of the Supreme Court of North Carolina, directing the undersigned to determine whether this action is properly designated as a mandatory complex business case in accord with N.C.G.S. § 7A-45.4(a) (the “Determination Order”).

2. Plaintiff Christopher Ryan Grindstaff, in his capacity as executor of the estate of Roger Stephen Grindstaff, a/k/a Roger Steven Grindstaff, (“Plaintiff”), filed the Complaint initiating this action in Burke County Superior Court on August 28, 2020, asserting claims for declaratory judgment and breach of contract. (*See* Compl. ¶¶ 48, 54.) Plaintiff timely filed the Notice of Designation (“NOD”) on the same day.

3. Plaintiff contends that designation as a mandatory business case is proper under N.C.G.S. § 7A-45.4(a)(1). Designation under section 7A-45.4(a)(1) is proper if the action involves a material issue related to “[d]isputes involving the law governing corporations, except charitable and religious organizations qualified under G.S. 55A-

1-40(4) on the grounds of religious purpose, partnerships, and limited liability companies, including disputes arising under Chapters 55, 55A, 55B, 57D, and 59 of the General Statutes.”

4. In support of designation under section 7A-45.4(a)(1), Plaintiff argues that this action involves “enforcement of a Stock Purchase Agreement.” (Notice Designation 3 [hereinafter “NOD”]; *see* Compl. ¶¶ 8–9, 30–32.) Specifically, Plaintiff alleges that Defendant Frank Eugene Knighton, Jr. (“Defendant”) has failed to comply with the provisions of a Stock Purchase Agreement he entered into with Roger Stephen Grindstaff (“Grindstaff”) in connection with their 50/50 ownership of Knightstaff, Inc. prior to Grindstaff’s death in April 2020. (*See* Compl. ¶¶ 4, 6–8, 27–32). Plaintiff seeks a “declaratory judgment that the Stock Purchase Agreement has not been terminated and that the Parties are obligated to comply with the terms of the Stock Purchase Agreement” as well as “an order requiring the Defendant to specifically perform his obligations under the Stock Purchase Agreement.” (NOD 3; *see* Compl. ¶¶ 48–49, 55–56.)

5. Although the Complaint’s subject matter and requested relief involve corporate stock, a review of the NOD and the Complaint’s allegations make plain that the resolution of Plaintiff’s asserted claims—each of which seeks vindication of Plaintiff’s alleged contract rights—requires only a straightforward application of contract law principles and does not implicate the law governing corporations under section 7A-45.4(a)(1). *See Innovative Agriproducts, LLC v. Fins & Feathers’ Charter & Com. Fishing, LLC*, 2019 NCBC LEXIS 98, at *5 (N.C. Super. Ct. Apr. 23, 2019)

(declining to designate under (a)(1) when “Defendants’ alleged misconduct— [Defendants’ alleged misuse of the corporate form]—reflects matters governed by the law of contract, not a dispute involving the law governing corporations, partnerships, or limited liability companies[]”); *see also Grifols Therapeutics LLC v. Z Automation Co.*, 2019 NCBC LEXIS 91, at *3 (N.C. Super. Ct. July 3, 2019) (declining to designate under (a)(1) where LLC’s claims involved only breach of contract); *S.E. Auto., Inc. v. Genuine Parts Co.*, 2016 NCBC LEXIS 63, at *7 (N.C. Super. Ct. Aug. 17, 2016) (declining to designate under (a)(1) where “[f]actual allegations regarding potential acquisitions or mergers” were “incidental to the claims . . . actually presented”).

6. Based on the foregoing, the Court determines that this action shall not proceed as a mandatory complex business case under N.C.G.S. § 7A-45.4(a) and thus shall not be assigned to a Special Superior Court Judge for Complex Business Cases.

7. Consistent with the Determination Order, the Court hereby advises the Senior Resident Superior Court Judge of Judicial District 25A that this action is not properly designated as a mandatory complex business case so that the action may be treated as any other civil action, wherein the parties may pursue designation as a Rule 2.1 exceptional case with the Senior Resident Judge.

8. The Court’s ruling is without prejudice to the right of Defendant to timely seek designation of this matter as a mandatory complex business case as provided under section 7A-45.4.

SO ORDERED, this the 1st day of September, 2020.

/s/ Louis A. Bledsoe, III
Louis A. Bledsoe, III
Chief Business Court Judge